



**Hot Springs Village
Property Owners Association**

Strategic Plan

2010

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**** The 2010 Hot Springs Village Strategic Plan with Annexes is available in its entirety on the HSV POA Website (hsvpoa.org) under the POA Board of Directors Section.**

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Hot Springs Village
Property Owners' Association

895 DeSoto Boulevard, Hot Springs Village, Arkansas 71909

Date: October 20, 2010

Subject: Hot Springs Village 2010 Strategic Plan:

Hot Springs Village is an established, vibrant, growing community. Like most governmental entities today, it is being negatively impacted by the worst economic crisis to occur in decades. It is being additionally challenged by other circumstances such as the withdrawal of the developer as lot sales were completed, the generational transition of prospective property owners and the implementation of 2007 Declaration changes. The attached 2010 Strategic Plan is vital to our ability to deal with today's challenges and to support the growth and development of our community in the pursuit of the bright future resident and non-resident property owners have come to expect.

We, the Board of Directors of the Hot Springs Village Property Owners Association, hereby:

- a. Affirm our adoption of the Vision, Board Mission and Shared Values that form the guiding principles and foundation upon which this Plan has been built,
- b. Commit our support to the Goals, Objectives and Tasks outlined in this Plan, and
- c. Accept our responsibility to monitor progress and confirm and/or amend the Plan, as deemed appropriate, at least annually.

We also want to take this opportunity to thank the many Village volunteers and POA staff who have worked tirelessly throughout this year to prepare what we believe is an outstanding Plan.

Sincerely,

SIGNED
Bill Linam – President

SIGNED
Mike Misch – Vice President

SIGNED
Jeff Atkins

SIGNED
Bob Brandt

SIGNED
Katie Feather

SIGNED
Jerry Kosoglow

SIGNED
Jim Owens

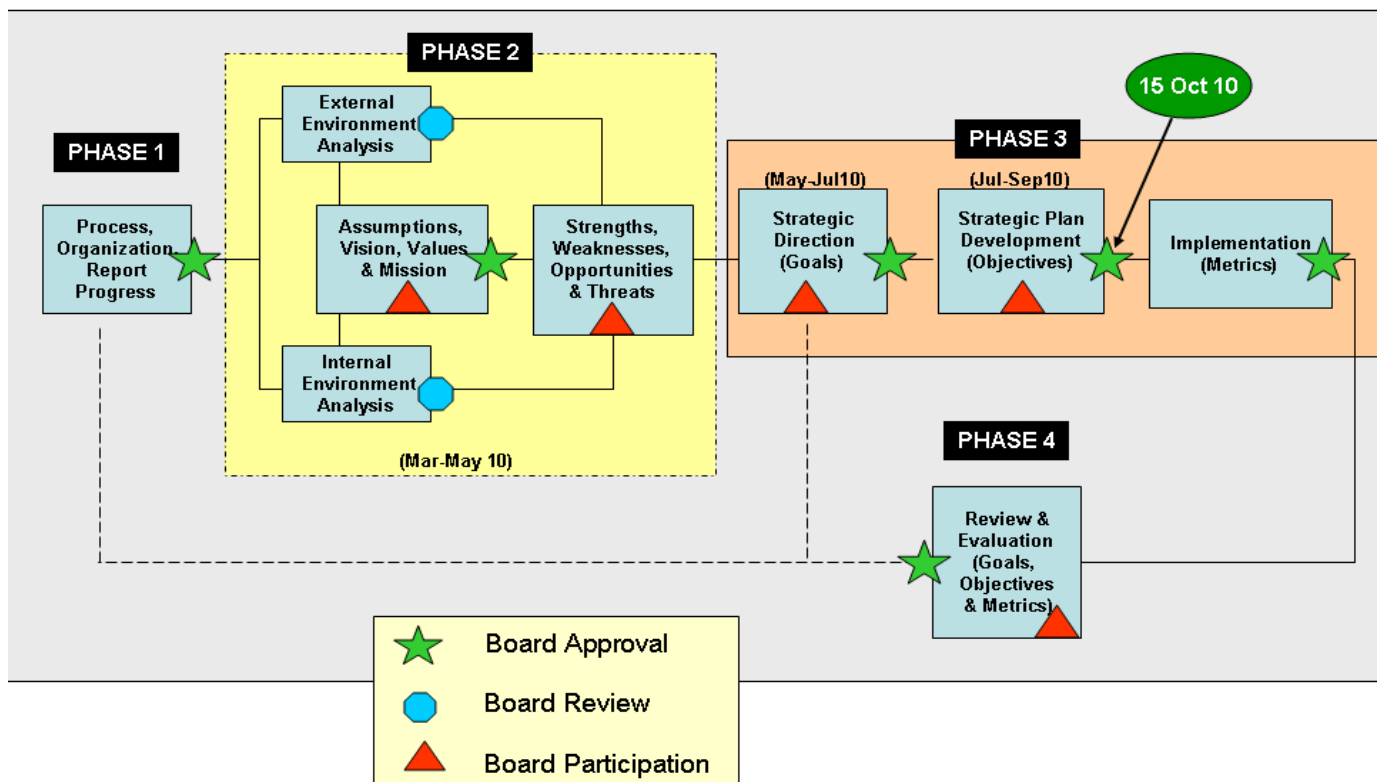
Introduction

The Hot Springs Village (HSV) Property Owners Association (POA) Board of Directors charged the Research and Special Projects Committee in December 2009 to develop a plan for preparing a new Strategic Plan for the Village. Previously, Strategic Plans were prepared in 2000 and 2004 for the Village. The project planning effort was completed in February 2010. The Organization and Process presentations made to the Board and others are included in Annex 1. Shortly after Board approval to proceed in March 2010, nearly 40 residents and POA staff began working on the development of this Plan. This report is the culmination of these efforts and was delivered to the Board in October 2010, as planned.

Approach to Plan Preparation

This diagram illustrates the overall four phased approach used to develop this plan.

Hot Springs Village 2010 Strategic Plan--Process



Phase 1 – The first phase included the development of the plan for proceeding, staffing the project, and monitoring and reporting to the Board progress throughout the process.

Phase 2 – This phase included:

- a. gathering background information and performing research and analyses (Annex 2, Work Products Phase 2 – External, Internal, Populations and Demographics and Finance Analyses),
- b. developing, by the Board, the Vision, Mission, Shared Values and Assumptions Statements which provide the context and essential elements to guide the development of strategies, and
- c. identifying the strengths and weaknesses (things we can control) and the opportunities and threats (things we can't control) that influence the development of strategies (Annex 2, Work Products Phase 2 – Strengths, Weaknesses, Opportunities and Threats (SWOTs) reports).

Phase 3 – The third phase included identifying the strategic goals, specific objectives, tasks and subtasks, and the responsible parties and priorities to be achieved during the 10 year plan period (Annex 3, Work Products Phase 3 – Strategic Goals, Objectives and Tasks organized by Goal).

Phase 4 – The final phase includes the review and evaluation of the progress of the responsible parties toward achieving the Plan. Throughout the planning horizon, the assumptions about trends, likes, dislikes, Village growth, etc. and existing strategies should be assessed and, if appropriate, either new strategies developed or a new plan initiated, whichever is called for. Phase 4 is critical to the overall success of this plan. Without adequate attention to the components of this phase, this Plan will likely suffer from the “dust on the shelf” syndrome (Annex 4, Work Products Phase 4 – Metrics and Plan Administration).

HSV Vision

Hot Springs Village is an active, friendly, gated community with a wide variety of outstanding amenities in a natural environment providing ample opportunities for community involvement and an enriching lifestyle.

The Mission of the Hot Springs Village Board Of Directors is to:

- Govern consistently with the Declarations and Protective Covenants,
- Assure the viability of Hot Springs Village by establishing and managing goals and objectives, and
- Ensure that the voice of the property owners is represented.

The Mission Of The Hot Springs Village Property Owners' Association Staff is to:

- Develop strategies and plans to achieve our objectives,
- Accomplish our work through effective processes and a motivated workforce,
- Provide quality services to all members, guests and visitors, and
- Enhance the quality of life for all and ensure the continued growth of Hot Springs Village.

HSV Shared Values

- HONESTY AND INTERGITY – We align our values, words and actions. We are honorable, trustworthy and sincere.
- EXCELLENCE – We deliver the best services possible and are committed to quality outcomes.
- RESPONSIVENESS – We exist to serve the community. We are committed to finding solutions in a timely manner. We listen, are empathetic and take appropriate action.
- OPEN COMMUNICATION – We seek a shared understanding with our community. We are engaged and our interactions are meaningful. We believe in participatory governance and transparent processes.
- ACCOUNTABILITY – We are responsible for our decisions and actions. We are accountable to our community and each other.

Assumptions

Economic Conditions:

- The economy will show small signs of recovery, starting slowly but gaining momentum. The housing market will not fully recover during the period of this plan.
- Re-employment will likely not recover to prior levels.
- Retirement will be delayed for many retirees due to reduced savings, declining 401Ks and reduced existing home values; making relocation a more difficult choice for them.

Growth:

- Growth is essential and will not occur unless we are able to fulfill the needs, create the opportunities and the desire for people to relocate in HSV.
- Growth will produce new home construction and spur existing home sales which will drive property values and increase revenue for HSV.
- There is a window of opportunity to attract “baby boomers”.
- A mix of age demographics is important for the long term viability of HSV.

Assessment Fees:

- Assessment delinquencies will continue to increase due to the economy and decreasing lot values unless we increase demand.
- It will be challenging to get an Assessment increase approved by the property owners during the period of this plan.

Amenity Fees:

- Fees can be increased based on:
 - reasonableness of higher costs that support the amenity.
 - perceived value of the amenity.
 - whether the amenity is required to be self supporting.
 - utilization of the amenity.
- Utilization will show only a slight increase, largely due to the small net increase in population, unless new programs are initiated and resident property owner growth is achieved.

Other Revenue:

- Revenue from governmental agencies will be very limited with HSV’s current structure.
- While “Debt” for HSV will be discouraged, it’s possible to use “Debt” to fund short term cash shortages and capital improvements.

Unproductive lots:

- Built-on lots are more productive than vacant lots; therefore, very deliberate actions will be required by the HSV Board to optimize opportunities to either resell or replatt these lots.
- All viable options will be implemented in order to turn unproductive lots in to revenue producers, including, but not limited to, leasing the property rights and improving the foreclosure process.

Marketing:

- The A&P organization alone will likely not spur necessary growth. A successful marketing campaign will require the cooperation and support of the POA, including but not limited to, providing promotional rounds of golf, enhanced visitor access, meeting spaces, other amenities access, etc.

Governance:

- HSV will continue as a private and gated community. The Declarations and Protective Covenants will remain in place, but subject to change by vote of the Property Owners.
- The standing committee structure comprised of HSV Volunteers, appointed by the Board, will continue to provide valuable support for the Board and POA Staff.

Village Access:

- Improvements in Highways 5 & 7 will make the Village more attractive and accessible for prospective residents and commercial development.

Commercial Development:

- Development inside the Village will be limited to space and viable businesses.
- Well planned commercial development will definitely make the Village more attractive to prospective residents.

Health Care:

- Primary care physicians, urgent care clinics, improved diagnostic and lab facilities will continue to be a constant need in the Village.

Education:

- Continued improvement in the quality of primary/secondary education will be a significant factor in attracting younger property owners.
- Access to community and upper division educational programs will contribute to attracting property owners.

Strategic Goals and Objectives

Strategic Goals and Objectives:

As a result of all the work that was completed in Phase 2, the following Strategic Goals represent broad based issues of critical importance to the future growth and development of the community. The Objectives address both near term needs and longer term strategies for achieving the stated Goals.

Strategic Goal 1: Achieve and maintain financial stability.

Objectives:

- 1) Implement improved financial planning, reporting and budgeting.
- 2) Design and implement management processes and systems.
- 3) Update and implement HSV business model changes.

Strategic Goal 2: Strengthen property owner participation, marketing and economic development.

Objectives:

- 1) Design and implement a proactive marketing program.
- 2) Improve communications with Village residents and non-resident property owners.
- 3) Implement a proactive Property Owner/Customer Relationship Management Program.
- 4) Match amenities with needs and desires.
- 5) Improve Economic Development Partnerships and employment opportunities.

Strategic Goal 3: Ensure infrastructure is responsive to current and future community needs.

Objectives:

- 1) Develop a comprehensive infrastructure management program.
- 2) Prepare and implement comprehensive community development and land use plans.
- 3) Improve medical access, emergency services and public safety.

Strategic Goal 4: Establish efficient and effective self-governance to control our destiny.

Objectives:

1. Update Declarations to support HSV Vision.
2. Improve POA organizational structure for the long-term.
3. Complete a comprehensive alternative governance review.
4. Strengthen intergovernmental relationships.

Strategic Plan Tasks by Priority

There are a total of 31 tasks and numerous subtasks identified over a 10 year period in this Plan. In total, this represents an aggressive approach to accomplish all these activities over an extended period of time. The tasks are numbered based on related strategic goal and objectives (x.x.x). The first number identifies the specific strategic goal, the second number identifies the objective under the related strategic goal, and the last number identifies the corresponding task for the goal/objective combination.

The Priorities for starting tasks are:

- Priority 1 = 0 – 1 Years
- Priority 2 = 1 – 2 Years
- Priority 3 = 3 – 5 Years

Tasks identified as Priorities 1 and 2 represent tasks to be worked in the near future. Priority 3 tasks are items of lesser consideration initially and should be reassessed and evaluated periodically during the ongoing Review component of Phase 4. Tasks listed as “Ongoing” are items that are presently underway that the planning team believes are sufficiently important to include in this Plan to assure they are continued into the future.

For ease of comprehension, the tasks are subgrouped based on the priorities.

PRIORITY 1 TASKS:

Task 1.1.1: Identify and implement reporting, budgeting and finance improvements.

Task 1.2.1: Develop comprehensive Information Technology Plan.

Task 2.1.1: Implement comprehensive marketing strategy.

Task 2.1.2: Enhance visitor access.

Task 2.2.1: Improve communications with property owners.

Task 2.2.2: Increase openness of POA Board and Staff activities.

Task 2.5.1: Establish economic development team/committee.

Task 3.1.1: Maintain water/waste water treatment services and building infrastructure.

Task 4.1.1: Obtain modifications to the HSV Declarations.

PRIORITY 2 TASKS:

Task 1.1.2: Formulate long range capital plan.

Task 1.2.2: Implement responsive management processes and systems.

Task 2.3.1: Implement Property Owner/Customer Relationship Management System.

Task 2.5.2: Improve economic development/commercial opportunities.

Task 3.1.2: Maintain POA buildings/management of major construction.

Task 3.1.3: Review POA rolling stock and related equipment.

Task 3.1.4: Improve POA project performance.

Task 3.2.1: Implement community development and land use plan for HSV.

Task 4.2.1: Improve the operating effectiveness of the POA.

PRIORITY 3 TASKS:

Task 1.3.1: Update current HSV business model.

Task 1.3.2: Implement approved business model changes.

Task 2.4.1: Develop future amenity needs and plan.

Task 2.4.2: Identify current/projected facility utilization/capacity to support amenity needs.

Task 2.4.3: Develop/execute a long term amenity capital expenditure program.

Task 3.1.5: Develop master plan for roads and sewers.

Task 3.2.2: Incorporate geographic information system.

Task 4.2.2: Implement POA staff developmental training program.

Task 4.3.1: Complete alternative governance review.

ONGOING TASKS

Task 3.2.3: Maintain timber management program.

Task 3.3.1: Improve medical care and emergency services.

Task 3.3.2: Sufficiently fund HSV police, fire and ambulance services.

Task 4.4.1: Strengthen intergovernmental relationships.

Strategic Plan Evaluation and Metrics

Phase 4 (Evaluation & Metrics) of the HSV Strategic Plan is critical to the success or failure of this effort. During this phase, the POA Board and Staff must regularly review the status of the 31 tasks identified by the HSV Strategic Plan. There are two components for reporting on the progress of the Plan. The first is a set of metrics which are designed to provide quick overall insight into whether progress is being made toward achieving the Strategic Goals outlined in the Plan. These metrics are arranged on a single page and are referred to as the 2010 Strategic Plan Dashboard.

Strategic Plan Dashboard (Overall General Metrics) include:

- Revenue and Expenses
 - Assessment delinquencies
 - Foreclosures
- HSV Population Growth
- Housing Permits/Resale Activity
- Amenity Usage
 - Golf
 - Tennis
 - Fitness Center
- Property Owner/Guest Satisfaction Rates

The second part of the progress report is made up of the specific tasks identified in the Plan with quantitative and qualitative means for reporting the progress of each task. Those tasks which lend themselves to quantitative measures of progress will be reported accordingly. Tasks which are best reported in a qualitative fashion will be reported with a status of red, yellow or green.

- **Red** indicates the task has not been started as anticipated by the priority established for it.
- **Yellow** indicates that the task has been started but is not progressing in a way that would indicate it will be completed as planned.
- **Green** indicates the task is underway and on schedule.

Specific Task Metrics include:

- Status of task completion
- Quantitative
 - Costs savings
 - Usage rates
 - Level of service (increased/decreased)
- Frequency of completion for recurring tasks

In both cases, it is expected that a status and comments component will be provided for each task in the Plan. An example of this portion of an annual report is included as Appendix B.

The Way Ahead

The 2010 Strategic Plan for Hot Springs Village has been prepared. The POA Board has committed to the Plan. Now the hard work begins - making it happen. Many Plans fail for lack of execution and attention. Phase 4 – Evaluation & Metrics - is believed to be a distinguishing characteristic of this Plan. This phase includes the formal review of progress toward achieving the Plan and the evaluation of the remainder of the Tasks in light of the current internal and external influences and the assumptions which underlie the Plan. It is expected the Board will charge the General Manager, at least annually, with making an Annual Report of Progress on the 2010 Strategic Plan.

Periodically an evaluation of the Plan in terms of whether it should be modified or scrapped and a new Plan developed should be conducted. The analyses prepared during Phase 2 of this planning effort should be reviewed, updated and evaluated to determine if important changes have occurred since the original analyses were performed. At the same time, the assumptions which were agreed to in Phase 2 should be carefully assessed, updated and evaluated to determine if important changes have occurred since they were adopted as guides for this Plan. Significant changes in either or both of these areas could suggest the need to update or replace the Plan. Undoubtedly changes will be identified and a new effort launched before completion of this Plan.

Appendix A
Detailed
Strategic Plan
Goals,
Objectives, and
Tasks

Strategic Goal 1: Achieve and maintain financial stability.

Objective 1.1: Implement improved financial planning, reporting and budgeting.

Task 1.1.1: Identify and implement reporting, budgeting and finance improvements to achieve financial stability.

PRIORITY: 1; OFFICE: Chief Financial Officer

Subtask 1.1.1.a: Simplify financial management reports for ease of understanding and include trend and forecasting capabilities.

Subtask 1.1.1.b: Review all operational processes and staffing and implement efficiencies and performance measures reporting in the near term.

Subtask 1.1.1.c: Review assessment revenue allocations and reserves and recommend changes for inclusion in the next budgeting and forecasting process, if not sooner.

Subtask 1.1.1.d: Review and analyze present fee structure and make recommendations for inclusion in the budgeting and forecasting cycle, if not sooner.

Subtask 1.1.1.e: Identify and recommend potential additional revenue sources, such as:

- Outsourcing of activities or facilities.
- Increased usage of endowment funding.
- Access to federal/state governmental funding for specific municipal functions performed by POA.
- Potential community development partnerships or overlay districts.

Subtask 1.1.1.f: Formulate and implement a financial stabilization strategy.

Task 1.1.2: Formulate a long range capital plan.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 1.1.2.a: Consolidate capital needs plans developed during other tasks in this plan into a single long term capital needs plan.

- Existing asset needs
- Planned/desired asset needs

Subtask 1.1.2.b: Include the needs in the annual budget and five year financial forecast.

Subtask 1.1.2.c: Identify possible sources of financing for capital needs.

Subtask 1.1.2.d: Implement a process for maintaining an up to date long term capital needs plan with possible sources of financing.

Objective 1.2: Design and implement management processes and systems.

Task 1.2.1: Develop a comprehensive Information Technology Plan.

PRIORITY: 1; OFFICE: Chief Financial Officer with support from Information Technology

Subtask 1.2.1.a: Survey existing processes and systems including: functions/applications, hardware and software.

Subtask 1.2.1.b: Identify/document areas where processes and systems are missing, inadequate or could be improved (see Governance Tasks, Property Owner and Marketing Tasks and Infrastructure Tasks for input and overlaps).

Subtask 1.2.1.c: Document an overall processes and systems philosophy (bleeding edge, leading edge, follower, packages and/or custom applications, manual/automation, etc).

Subtask 1.2.1.d: Complete a conceptual design of a responsive, integrated management system. Major functions to be served include, among others, purchasing and payables, billing, cash receipts and receivables, inventory control, fixed assets and capital expenditures, membership records, budgeting and forecasting, payroll and personnel, general accounting and management reporting including financial and key success factor performance reporting, and GIS software for land management. Major features should give consideration to appropriate accounting and internal controls. Identify which functions are likely to be accomplished using pre-coded software, custom coded software, manual processes or outsourcers.

Subtask 1.2.1.e: Identify interfaces and dependencies in the conceptual design.

Subtask 1.2.1.f: Document a hardware, systems software and communications strategy for implementing the conceptual design.

Subtask 1.2.1.g: Breakdown the conceptual design into manageable projects, approximate effort required by skill level, estimate timeframes, hardware/systems software/communications required and assign priorities.

Subtask 1.2.1.h: Assess the knowledge, skills and abilities of the present staff to deliver projects and identify gaps in staff needs by level versus availability. Identify strategies for fulfilling staff shortages.

Subtask 1.2.1.i: Approximate the costs and benefits for the projects.

Subtask 1.2.1.j: Define a management control and reporting system including appropriate oversight functions for all projects.

Subtask 1.2.1.k: Formulate an overall plan for implementing the conceptual design and obtain Board approval.

Subtask 1.2.1.l: For the highest priority projects prepare detailed plans for design and implementation.

Subtask 1.2.1.m: Periodically review and adjust the plan as projects are implemented and circumstances change.

Task 1.2.2: Implement responsive management processes and systems by project.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 1.2.2.a: Confirm priority and approach and prepare/finalize detail plans for the project.

Subtask 1.2.2.b: Obtain commitments to staff the project accordingly.

Subtask 1.2.2.c: Establish oversight functions appropriate to the project.

Subtask 1.2.2.d: Implement management control and reporting system.

Subtask 1.2.2.e: Obtain approval to proceed.

Subtask 1.2.2.f: Execute the approved plan for each project.

Objective 1.3: Update and implement HSV business model changes

Task 1.3.1: Review current HSV business model and evaluate updates and alternatives to support the future growth and development of the community.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Subtask 1.3.1.a: Define current business model.

Subtask 1.3.1.b: Define economic, social and political changes that have occurred since current business model was established.

Subtask 1.3.1.d: Update the demographics of the Village based on the 2010 census.

Subtask 1.3.1.c: Assess the impact of these changes on the Village and the current business model.

Subtask 1.3.1.d: Identify updates and alternatives to the current business model which would support the future growth and development of the community.

Subtask 1.3.1.e: Summarize the changes needed to implement a new business model and calculate the financial impacts of implementing a new business model.

Subtask 1.3.1.f: Review the proposed changes with the Board and obtain approval and prepare a plan to implement the approved changes.

Task 1.3.2: Implement approved business model changes.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Strategic Goal 2: Strengthen property owner participation, marketing and economic development.

Objective 2.1: Design and implement a proactive marketing strategy.

Task 2.1.1: Design and implement a comprehensive marketing strategy to attract potential property owners to HSV.

PRIORITY: 1; OFFICE: POA General Manager

Subtask 2.1.1.a: Review existing data and if necessary develop further data to identify market demographics, and define the characteristics of each market segment based on behavior patterns and expectations ("hot buttons": wants/needs, likes/dislikes).

Subtask 2.1.1.b: Develop an Advertising and Promotion Strategy and for each market segment that determines the best channels and timing of communication. Develop accurate, consistent messaging via all communication channels to all segments.

Subtask 2.1.1.c: Develop a closed loop process for processing and qualifying leads secured through the advertising and promotion campaign.

Subtask 2.1.1.d: Create methods to promote the value of the Village as a vacation or family reunion destination to encourage non-resident property owners to stay engaged with the Village and stay current on their assessment payments.

Subtask 2.1.1.e: Complete a follow-up cost benefit analysis of implemented marketing strategies.

Task 2.1.2: Develop a plan to enhance visitor access to the Village.

PRIORITY: 1; OFFICE: Assistant to General Manger and Director of Public Safety

Subtask 2.1.2.a: Create an Ambassador program to provide temporary sponsors for visitors and give tours. Couple this with special offers for golf or amenities.

Subtask 2.1.2.b: Develop a comprehensive plan to process visitors or potential buyers at the main gates that would address access and information needs. Consider the establishment of a visitor center.

Objective 2.2: Improve communications with Village residents and non-resident property owners.

Task 2.2.1: Improve communications with Village resident and non-resident property owners so as to improve participation in Village activities and government, keep them informed of the problems facing the Village, and obtain cooperation in changing Declarations or for assessment and fee changes.

PRIORITY: 1; OFFICE: Assistant to General Manger with Public Relations and Information Technology support

Subtask 2.2.1.a: Develop a formal communications plan that emphasizes written, internet, and verbal communication with all property owners to include an emphasis on non-resident property owners. Develop an e-mail subscription system for this.

Subtask 2.2.1.b: Further develop the POA Website to maximize Village exposure to current and prospective property owners.

Subtask 2.2.1.c: Hold a periodic open forum for the public to come and comment or present suggestions on any and all Village operations and activities and have questions answered by GM, board members, and selected staff members.

Subtask 2.2.1.d: Institute monthly GM report and newsletter and publish via e-mail to both resident and non-resident property owners.

Task 2.2.2: Increase openness of POA Board and Staff activities to the membership at large.

PRIORITY: 1; OFFICE: Assistant to General Manger

Subtask 2.2.2.a: Institute a formal process for scheduling board votes on major items of public interest to ensure sufficient public comment and input.

Subtask 2.2.2.b: Have standing committees (or special committees/teams) review proposals by third parties, take comments from interested parties, and provide recommendations or initiate, research and present proposals on major issues that arise in their areas of responsibility.

Objective 2.3: Implement a proactive Property Owner/Customer Relationship Management Program

Task 2.3.1: Develop and implement a Property Owner/Customer Relationship Management System.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 2.3.1.a: Implement POA Staff customer relationship management training/learning for better interface with current and future property owners.

Subtask 2.3.2.b: Implement dynamic customer response system/survey/feedback system for all HSV "pulse points".

Objective 2.4: Match amenities with needs and desires.

Task 2.4.1: Develop an estimate of future amenity needs.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Subtask 2.4.1.a: Commission a market research firm to develop a profile of amenities that would attract new residents to HSV. Consider potential amenities such as:

- Municipal style park with athletic fields, picnic/pavilion/outdoor entertainment areas, fitness course, dog park, etc.
- Multipurpose paved biking/jogging/walking trails.
- Fitness center, arts and craft center, and library alternatives.
- Paint Ball, skateboarding, rock climbing facilities.
- Town Center areas for small business entities like a coffee house/ice cream shop alternatives.

Subtask 2.4.1.b: Using data from the 2010 census, project several alternative levels of HSV population growth for the next five to ten years, employ the projections, together with existing information on patterns of use of amenity facilities to estimate the likely future demand for such facilities.

Task 2.4.2: Identify current facility utilization and projected capacity to support amenity needs.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Subtask 2.4.2.a: Determine current facility utilization and projected capacity. Estimate when capacity of each facility will be reached based on population growth projections. Determine expansion or replacement costs when facilities reach capacity. Evaluate alternative uses for facilities that are found to be under-utilized or will require replacement. Facilities to be considered include:

- Coronado Center and Fitness Center.
- Desoto Pool, family recreational activities and beaches.
- Golf, tennis, lawn bowling, bocce ball and pickle ball facilities.
- Woodlands Auditorium and Ponce de Leon Center.

Subtask 2.4.2.b: If excess capacity is identified, determine the potential for sale or lease of selected POA facilities (e.g., clubs, golf courses, recreation facilities) to generate new revenue or achieve cost reductions. This would include:

- Investigating and seeking to modify legal and institutional requirements governing potential sale or lease of POA facilities to private corporations or individuals.
- Based on detailed lists of potential facilities (such as the Balboa and Desoto Clubs) for sale or lease, develop requests for proposals and terms and conditions for such transactions, including nominal prices that might be realized from bids or auction and offer such facilities for sale or lease if it is determined to be economically beneficial to HSV.

Task 2.4.3: Develop and execute a long term capital expenditure program to support amenity maintenance, expansion and construction needed to support current residents and future residents identified by population growth projections.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Subtask 2.4.3.a: Publish a long-term amenity capital plan based on needs and desires identified by research and utilization data.

Subtask 2.4.3.b: Develop and implement a process for the proposal and approval of such new amenities to ensure their desirability and initial and long term financial viability that includes a format for new amenity proposals, an opportunity for public comment, a system of vetting proposals through POA committees and staff, and a recommendation for final approval by the Board. This should include an appeals process for the proponents if rejected.

Subtask 2.4.3.c: Using the population and demand estimates, evaluate whether and when there may be sufficient demand to support establishment of a self-sustaining arts and cultural center at Ponce de Leon Center, possibly including a village history center. Seek NEA and other outside funding to support the construction of this facility.

Objective 2.5: Improve Economic Development Partnerships and employment opportunities.

Task 2.5.1: Establish a separate economic development team/committee.

PRIORITY: 1; OFFICE: POA General Manger

Subtask 2.5.1.a: Recruit and organize a separate economic development committee.

Subtask 2.5.1.b: Maintain seat on the Saline County Economic Development Board and garner a seat on the Garland County Economic Development board and other governmental agencies which have a significant influence on the wellbeing of HSV.

Task 2.5.2: Promote the economic development of HSV and the surrounding area by working to bring commercial and other business opportunities to the area.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 2.5.2.a: Determine the feasibility of commercially operated resort style operations on unimproved properties within HSV.

Subtask 2.5.2.b: Determine the feasibility of new commercially developed condo/townhouse area on the east end of the Village to support visitor golf usage.

Subtask 2.5.2.c: Encourage existing and outside developers of high quality assisted living facilities to locate within or near HSV so as to provide for a life path for residents where they can remain in familiar surroundings and maintain friends and social activities.

Subtask 2.5.2.d: Investigate and, if feasible, implement plans to establish HSV as a conference and meeting venue and to attract outside recreational events. This would entail evaluating the use of existing facilities and encouraging the establishment of a hotel facility in or near HSV.

Subtask 2.5.2.e: Determine the feasibility of establishing a high-end RV park near HSV with coordinated membership assigned privileges.

Subtask 2.5.2.f: Actively seek low impact businesses (e.g., call centers, data processing, credit card processing) for location in or near HSV to create additional employment opportunities.

Subtask 2.5.2.g: Determine the feasibility of the establishment of a business center within HSV for people who want to work remotely or part time, or need better telecommunications.

Subtask 2.5.2.h: Work with existing providers to improve broadband coverage and leverage the POA's existing wireless network to provide services both in a business center and possibly in homes.

Subtask 2.5.2.i: Actively work for the establishment of a sewer district (similar to the North Garland County Water District) to provide sewerage services to businesses and residents in the county areas surrounding HSV.

Strategic Goal 3: Ensure infrastructure is responsive to current and future community needs.

Objective 3.1: Develop a comprehensive infrastructure management program.

Task 3.1.1: Maintain core water/waste water treatment services and building infrastructure, and ensure compliance with legal requirements.

PRIORITY: 1; OFFICE: Director of Public Works

Subtask 3.1.1.a: Complete the ADEQ required waste water treatment plant modifications to meet current effluent discharge permit requirements to remain in ADEQ compliance.

Subtask 3.1.1.b: Fund and complete the HSV water plant expansion project on a schedule that meets the legally mandated water capacity requirements.

Subtask 3.1.1.c: Continue water line breakage and repair program to conserve water plant capacity and delay future expansion costs.

Task 3.1.2: Maintain POA buildings and improve management of major construction related projects.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 3.1.2.a: Update the "Specific Discipline & Equipment of Property" study performed for POA buildings in 2001 and extend study to cover Isabella and Granada golf course structures.

Subtask 3.1.2.b: Develop and execute a plan to meet ADA compliance requirements at all facilities.

Subtask 3.1.2.c: Formulate and implement a management program for forecasting building infrastructure maintenance and replacement requirements and develop a long range capital plan to meet these future needs.

Task 3.1.3: Develop a long range plan for POA rolling stock and related equipment.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 3.1.3.a: Complete an inventory of all POA rolling stock and related equipment.

Subtask 3.1.3.b: Develop a projected replacement schedule for rolling stock and related equipment.

Subtask 3.1.3.c: Formulate a long range capital plan to support the necessary turnover of vehicles and equipment.

Task 3.1.4: Improve POA project performance on major infrastructure major modification and construction projects by:

PRIORITY: 2; OFFICE: To be determined by POA General Manager

- Moving responsibility for managing these projects to the Public Works Department.
- Depending on project workload, either hiring a professional construction project manager or engineer to supervise specification and construction work, or employing an outside consulting firm to perform this function.

Task 3.1.5: Develop a master plan for roads and sewers.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Subtask 3.1.5.a: Refine the process for evaluating various classes of major and residential roads for paving. Estimate the cost of this road program. Identify and estimate the long range replacement costs for other road related structures to include culverts, drainage ditches, and signs. Incorporate these estimates into the long range capital plan to ensure roads remain in good condition and maintain curb appeal of HSV. Continue to fund the plan.

Subtask 3.1.5.b: Evaluate and act on, as funds become available, what should be done to modify the east gate entrance and road to provide safe and convenient access to HSV. This includes working with state officials to determine the effect of the new commercial development at the Desoto-Hwy. 5 intersection.

Subtask 3.1.5.c: Evaluate and act on, as funds become available, the need for potential road modifications for the west gate area.

Subtask 3.1.5.d: Define and estimate cost of annual paving requirements for unpaved roads taken over from Cooper, and the extent that utilities may be required to be run to these or other areas at POA expense. Develop a program to minimize the cost for these requirements (e.g., through lot trading, or re-platting for other uses).

Subtask 3.1.5.e: Define long-term water and sewer line/pump station replacement requirements. Estimate cost for incorporation into long range capital plan.

Subtask 3.1.5.f: Incorporate all road paving, water and sewer capital needs into the long range capital plan.

Objective 3.2: Prepare and implement comprehensive community development and land use plans.

Task 3.2.1: Form a Board level committee to formulate and implement a community development and land use plan for HSV.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 3.2.1.a: Develop a process and criteria for soliciting suggestions for the use of common property and determining how POA owned land should be allocated which includes a format for submitting proposals for land use, a period of public comment, a system of vetting proposals through POA committees and staff, and a recommendation for final approval by the Board.

Subtask 3.2.1.b: Identify and inventory all POA common or potentially common property holdings to include such categories as the major tracts received from Cooper, green spaces that may be large enough for small facilities, spaces holding current amenities, POA owned lots, and platted property in undeveloped areas that could be purchased (or traded for) for use for other purposes.

Subtask 3.2.1.c: Identify land held by others that could be procured or used cooperatively by the POA. Procure this land or enter into agreements if funds are available and it makes economic sense. This would include land owned by Cooper and other entities within or adjacent to HSV.

Subtask 3.2.1.d: Formulate a community development and land use plan that:

- Identifies optimum location of amenities.
- Sets aside land for long term development of amenities.
- Reserves land for future development of cultural facilities.
- Emphasizes development of neighborhoods located away from lakes or golf courses and ties them into these facilities.
- Addresses the revitalization of older neighborhoods and facilities in the Village.

Subtask 3.2.1.e: Execute the community development and land use plan and effectively manage HSV property by:

- Assigning land management to one function within the HSV governing organization. This can be part of the staff, a permanent land use committee, or both.
- Allocating land resources in an orderly manner using the justification procedure outlined above.
- Conducting a periodic review of the land use plan and modifying it as circumstances and the needs of the Village change.
- Centralizing the management of POA owned lots to one department within the POA.

Task 3.2.2: Incorporate the use of a geographic information system into the land management function to aid in community development.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Task 3.2.3: Maintain a robust timber management program for the Village.

PRIORITY: Ongoing; OFFICE: To be determined by POA General Manager

Subtask 3.2.3.a: Evaluate the current timber management program and determine if changes are necessary.

Subtask 3.2.3.b: Implement any identified necessary revisions to timber management practices.

Objective 3.3: Improve medical access, emergency services, and public safety.

Task 3.3.1: Work to improve medical care and emergency services within and in the vicinity of HSV.

PRIORITY: Ongoing; OFFICE: To be determined by POA General Manager

Subtask 3.3.1.a: Determine the future requirements for medical care and emergency services for HSV residents.

Subtask 3.3.1.b: Develop partnership with leading Arkansas teaching hospitals to establish a local trauma center and clinic/emergency care facility.

Subtask 3.3.1.c: Evaluate whether funds to support a local hospital and trauma center may be available as part of the newly-enacted health care law and/or through U. S. Government rural development funding programs.

Task 3.3.2: Provide sufficient funding to maintain our excellent fire rating and the effectiveness of the HSV police and ambulance services. Advertise this significant benefit to perspective residents.

PRIORITY: Ongoing; OFFICE: To be determined by POA General Manager

Strategic Goal 4: Establish efficient and effective self-governance to control our destiny.

Objective 4.1: Update Declarations to support HSV Vision

Task 4.1.1: Formalize and conduct an election for modifications to the HSV Declarations necessary to support the implementation of the Strategic Plan. The most significant changes required are:

PRIORITY: 1; OFFICE: POA Board and General Manager

- Provide the POA with the authority to replat land that it owns to common property.
- Allow the POA to sell common property by changing of ARTICLE VIII (i) to read "... 51% of the votes of class A members." rather than "each class."
- Make the Architectural Control Committee report to the POA Board by changing ARTICLE XI to read "... Board of Directors of the Association." rather than "Developer".
- Provide for the collection of Maintenance Assessments for more than one year by changing two provisions in ARTICLE X, section 4.
 - First change "... applicable to that year only, ..." to read "... applicable for any period up to five (5) years as determined by the POA Board, ..."
 - Second, change "assent of 51% of the votes of each class of members ..." to read "... assent of 51% of the votes of class A members."

Subtask 4.1.1.a: Appoint ad hoc committee to determine changes required, draft proposal for property owners, and conduct a promotion campaign to get out the vote and encourage support.

Subtask 4.1.1.b: Conduct the election. If the vote fails for any or all of the proposed changes assess the impact on the Strategic Plan and adjust the Plan as appropriate.

Objective 4.2: Improve POA organizational structure for long term.

Task 4.2.1: Improve the operating effectiveness of the POA.

PRIORITY: 2; OFFICE: To be determined by POA General Manager

Subtask 4.2.1.a: Conduct a complete review of the current POA organizational structure including its operations, practices, policies, and procedures and submit to the board for approval an organizational plan with the goals of:

- Improving effectiveness, increasing efficiency, and controlling expenses and overhead costs.
- Developing a recommended long-term organizational structure to implement the strategic plan.
- Integrating marketing and land management functions.

Subtask 4.2.1.b: Review duties and organization of permanent and ad hoc committees, including new committees recommended in this plan, and establish a committee organization that can assist the POA Staff to the maximum extent possible in executing this Strategic Plan.

Subtask 4.2.1.c: Evaluate alternatives for providing office space for POA staff and implement those found to reduce cost or improve efficiency. Consider such items as:

- Separation of public works and administrative functions.
- Construction of new office facilities or repurposing of current POA facilities for better utilization.
- Central location of police department.
- Purchase of the empty Cooper building at the west gate for administrative and welcome center.

Task 4.2.2: Develop and implement a POA staff developmental training program.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Objective 4.3: Complete a comprehensive alternative governance review.

Task 4.3.1: Conduct a study to evaluate potentially viable alternative governance options for HSV in order to ensure there is a plan and an understanding of the impact of implementing the alternatives along with the “key indicators and trigger points” that suggest the need for change.

PRIORITY: 3; OFFICE: To be determined by POA General Manager

Subtask 4.3.1.a: Obtain guidance and assistance from Central Region Metro Plan regarding the methodology for determining alternative governance structures for HSV.

Subtask 4.3.1.b: Evaluate the various options for governance, identify pros and cons of each option and determine best potential path to meet the future needs of the Village.

Subtask 4.3.1.c: Identify the “key indicators and trigger points” suggesting the need for implementing a change and put a monitoring system in place.

Objective 4.4: Strengthen intergovernmental relationships.

Task 4.4.1: Strengthen intergovernmental relationships to ensure that HSV has a voice in governmental decisions that affect it and is in a position to influence those decisions to its benefit.

PRIORITY: Ongoing; OFFICE: To be determined by POA General Manager

Subtask 4.4.1.a: Annually update and distribute White Papers on issues of concern to HSV.

Subtask 4.4.1.b: Re-commission the HSV Economic Impact Study and publicize the results to local governmental officials and agencies.

Subtask 4.4.1.c: Maximize HSV political and economic attributes with all levels of government via increased frequency of electronic interface (e-mail, Twitter, blogs) and via HSV POA website.

Subtask 4.4.1.d: Maintain current representation and identify new opportunities for HSV resident representation on local/state governmental boards and committees.

Subtask 4.4.1.e: Increase elected/appointed officials visitation to HSV events and facilities.

Appendix B

Strategic Plan Evaluation and Metrics

HOT SPRINGS VILLAGE STRATEGIC PLAN DASHBOARD

Population

- Total Number
- Resident Owner
 - Renter
- By Age Groups

Revenue/Expenses

- Operating Costs vs Budget Comparison
- Capital Expenditures
- # of FTE Employees

Amenity: Golf

- Costs/Rounds Played
 - Total
- Member, Family & Guests

Housing

- Sales
- New Home Permits
- Lots Foreclosures
- Assessment Delinquencies

Marketing Results/Customer Satisfaction

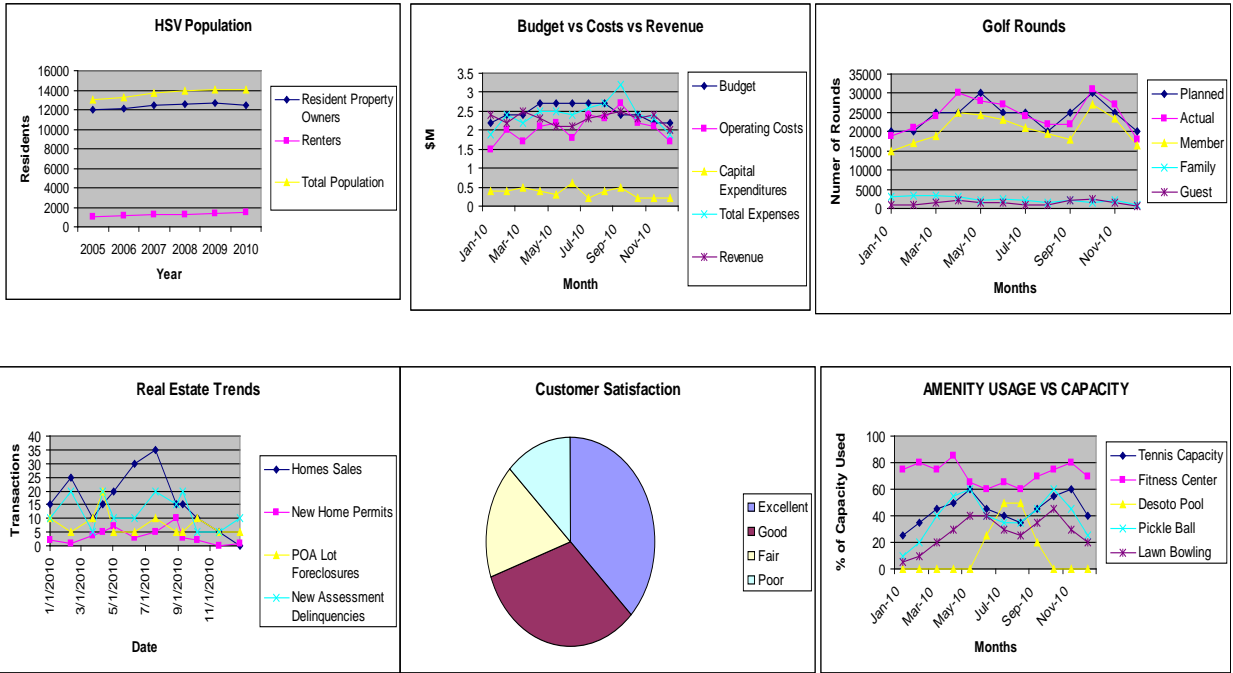
- Number of Leads
- Satisfaction Rates
- Average Response Times
- Feedback Survey Results

Amenity: Fitness/Tennis

Costs/Usage

NOTIONAL DATA FOR DASHBOARD

HOT SPRINGS VILLAGE STRATEGIC PLAN DASHBOARD



NOTIONAL DATA FOR DASHBOARD

SPECIFIC TASK METRICS

Task #	Task Description	Office	Priority	Measurement	Status
1.1.1	Reporting, budgeting & finance improvements		1	Identification & Implementation Status	
1.1.2	Long range capital plan		2	Completion & identification of cost savings	
1.2.1	Comprehensive Information Technology Plan		1	Completion & identification of cost savings	
1.2.2	Responsive management process & systems		2	Implementation Status	
1.3.1	Current HSV Business Model		3	Completion & implementation status	
1.3.2	Approved business model changes		3	Implementation status	
2.1.1	Comprehensive marketing strategy		1	Completion, implementation status & identification of new leads/residents/buyers	
2.1.2	Visitor access		1	Implementation & number of visitors	
2.2.1	Communications w/property owners		1	Implementation & identification or frequency of communications	
2.2.2	Openness of POA Board/Staff activities		1	Implementation & identification or frequency of communications	
2.3.1	Property Owner/Customer Relationship Mgt System		2	Development status & customer satisfaction rates	
2.4.1	Future amenity needs & plan		3	Completion	
2.4.2	Facility Utilization & capacity		3	Completion	
2.4.3	Amenity capital expenditure plan		3	Development status & implementation of actions	
2.5.1	Economic development team		1	Completion	
2.5.2	Economic development & commercial opportunities		2	Number of economic opportunities & impacts on HSV economically	

Task #	Task Description	Office	Priority	Measurement	Status
3.1.1	Water/waster water services & building infrastructure		1	Completion	
3.1.2	POA buildings/management of major construction		2	Completion	
3.1.3	POA rolling stock & related equipment		2	Completion	
3.1.4	POA project performance		2	Completion & mgt performance	
3.1.5	Master plan for roads & sewers		3	Completion & implementation	
3.2.1	Community development & land use plan		2	Completion	
3.2.2	Geographic information system		3	Implementation	
3.2.3	Timber management		Ong	Implementation status	
3.3.1	Medical Care & Emergency Services		Ong	Tracking of improvement	
3.3.2	Public Safety Funding		Ong	Tracking of funding, fire and police trends	
4.1.1	Declaration changes		1	Completion	
4.2.1	POA Operating Effectiveness		2	Identification, implementation, performance increases & cost savings	
4.2.2	POA Staff Developmental Training		3	Development & implementation	
4.3.1	Alternative Governance		3	Completion	
4.4.1	Intergovernmental relationships		Ong		

Appendix C

HSV 2010 Strategic Plan Participants

Strategic Plan Deputy Director:
Wilbur Smither

Strategic Plan Deputy Director:
Keith Keck

PHASE 2 Team Leaders:
Stephen Winslow (External Analysis)
Rolland White (Population & Demographics)
John Cooney (Vision & Mission)

James Williams (Internal Analysis)
Dennis VanLeeuwen (Finance)

John Cooney (Strengths)
Rolland White (Opportunities)

James Williams (Weaknesses)
Stephen Winslow (Threats)

PHASE 3 Team Leaders:
Wilbur Smither (Financial)
Rolland White (Infrastructure)

John Cooney (Marketing)
James Williams (Governance)

TEAM Members:

Bill Adams
Thomas Gallagher
Stan Leek
Don Putnam
Katherine Winslow

Bobbie Bateman
Craig Henderson
Joe Moreau
Dick Schmidt
Paul Wirtz

Tom Bryant
Bobbie Holliday
Jim Owens
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Ernest Folse
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Diana Podawiltz
Elaine Weeter

POA Staff Members:

Wayne Copeland
Doris Truett

Linda Mayhood
Layne Wagoner

John Paul
Steve White

Stephanie Stone

Senior Mentors:

Tom Arwood

Dick Breckon

Larry Ebner

Wayne Morrison

Annexes

- **Annex 1 – Phase 1 (Organization and Process) Presentation**
- **Annex 2 – Phase 2 (Analysis and Assessment) Work Products**
 - **Analysis:**
 - **External Analysis Team Report**
 - **Internal Analysis Team Report**
 - **Populations & Demographics Team Report**
 - **Finance Team Reports**
 - **Assessment**
 - **Strengths Team Report**
 - **Weaknesses Team Report**
 - **Opportunities Team Report**
 - **Threats Team Report**
- **Annex 3 – Phase 3 (Strategic Goals, Objectives, Priorities and Tasks) Work Products**
 - **Financial Team Report**
 - **Marketing Team Report**
 - **Infrastructure Team Report**
 - **Governance Team Report**
- **Annex 4 – Phase 4 (Metrics and Plan Administration)**
- **Annex 5 – Supplemental Reference Materials**
 - **Business Model Material**
 - **Retirement Community Assessment**

To: POA Board of Directors,
Hot Springs Village, Arkansas

From: Keith A. Keck
Wilbur L. Smither

Subject: 2010 Strategic Plan – Transmittal Letter

Date: October 20, 2010

As Deputy Directors of the 2010 Strategic Plan effort, we believe we have completed our assignment with respect to the development of the attached Plan. The General Manager of the POA is the individual responsible for the 2010 Strategic Plan for Hot Springs Village and its execution. The Interim General Manager, Jerry Kosoglow, has reviewed and accepted the Plan as presented. He and the POA staff have reviewed the Priority 1 Tasks (Tasks to be started in the first year of the Plan) and agreed to the assigned responsible parties in this Plan. We believe it is appropriate that the new General Manager, when hired, be given a reasonable time to review the Plan and make adjustments to be approved by the Board. Once approved, the new General Manager should assign responsible parties to the remaining Tasks and the Plan finalized.

Developing this Plan has been an interesting and challenging experience. This Plan is the result of thorough research and hard work. We would like to thank the volunteers and POA staff who have contributed to the Plan. We would also like to thank the property owners who attended the open forums for their time and attention and all the feedback we were given as the Plan progressed. Without a doubt, there is considerable interest in and support for this Plan.

It is now up to the Board and staff to deliver on the Plan's expectations and to report to the property owners their progress toward their achievement of these expectations. We believe execution of this Plan will facilitate their ability to deal with today's challenges and support the growth and development of our community.

Thank you for the opportunity to serve!

SIGNED

Keith A. Keck

SIGNED

Wilbur L. Smither